IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant(s):	Hernan G. Otero et al.	Confirmation No.:	6818
Serial No.:	09/823,125	Group Art Unit:	3696
Filed:	03/30/2001	Examiner:	Oyebisi, Ojo O.
For:	Apparatus, Method and Articles of Manufacture for Constructing and Executing Transaction Processes and Programs		

RESPONSE TO "NOTIFICATION OF NON-COMPLIANT APPEAL BRIEF"

Commissioner for Patents

P.O. Box 1450

Alexandria, VA 22313-1450

Sir:

In response to the NOTIFICATION OF NON-COMPLIANT APPEAL BRIEF dated June 30, 2009, Applicants submit herewith the following documents to correct an informality in the record and place the application in condition for re-opening of prosecution, in accordance with the ORDER FROM THE BOARD OF PATENT APPEALS AND INTERFERENCES dated June 23, 2009. Applicants request reopening of prosecution and substantive examination of the merits of the application in view of the Amendment/Response filed April 6, 2009, and the Request for Continued Examination filed herewith.

☒ Copy of corrected Appeal Brief filed April 16, 2007 correcting the "Related Appeals and Interferences" and "Appendix C - Related Proceedings" sections - amended to include a statement that the Patent Board of Appeals and Interferences rendered a decision on Appeal 2008-0343 in US Patent Application Serial Number 09/773,139, of which the present application is a continuation-in-part. Applicants note that application 09/773,139 has subsequently been deemed "Abandoned".

☒ Request for Continued Examination (Please consider the Amendment/Response under 37 C.F.R. §1.116 previously filed on April 6, 2009).

☐ A check in the amount of $___ in payment of the application filing fees is attached.

☒ The Commissioner is hereby authorized to charge any additional fees which may be required by this paper, or credit any overpayment to Deposit Account No. <u>03-1240</u>, Order No. <u>17209-341</u>.

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Respectfully submitted,

CHADBOURNE & PARKE LLP

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Dated: October 26, 2009   By: <u>/Daniel C. Sheridan/</u>
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REAL PARTY IN INTEREST

The present application is assigned to GOLDMAN SACHS & CO., One New York Plaza, New York, New York 10004, U.S.A.

RELATED APPEALS AND INTERFERENCES

An Appeal Brief was filed on April 11, 2006 in U.S. patent application Serial Number 09/773,139. The present application is a continuation -in- part of the '139 application. The appeal was filed with the Board of Patent Appeals and Interferences based on the rejections of the Examiner in the Final Office Action mailed December 1, 2005. Applicants note the current state of the '139 application is "Abandoned". No other appeals or interferences are known to Appellants, Appellants' legal representative, or assignee, which will directly affect, be directly affected by, or have a bearing on the Board's decision in the pending appeal.

STATUS OF CLAIMS

Claims 1-6 and 8-14 are pending in this application. All pending claims stand rejected and are now being appealed.

Claim 7 has previously been canceled.

STATUS OF AMENDMENTS

No amendments were filed after the Final Office Action.

SUMMARY OF CLAIMED SUBJECT MATTER

According to conventional practices, computer implementation of trading strategies requires custom computer programming. This approach is expensive and time-consuming. (Specification, page 1, line 19 to page 2, line 20)

According to the present invention, plug-ins that each embody a respective trading algorithm are selectively used to configure a logic engine. (FIG. 1, engine 10; specification, page 4, lines 5-22 and page 5, lines 13-16) As configured by the trading algorithm plug-in, the

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engine executes orders to perform the trading algorithm. (Specification, page 4, lines 5-22) Without a need for utilizing programming services, but rather by use of a graphical user interface (GUI) tool, the user may enter parameters for the trading algorithm, and may also use the GUI to monitor execution of a resulting trading order in real time. (Specification, page 7, lines 13-23; and page 8, lines 19-23)

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Appellants will now map the limitations of the pending independent claims to the disclosure of this application.

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Claim 1

"A method for computerized trading"—specification, page 1, lines 14-15.

"A human being using a graphical user interface to enter parameters for a trading algorithm to input a trading order into a logic engine"—specification, page 7, lines 19-22; and page 8, lines 19-20.

"Using a first plug-in in said logic engine for implementing the trading algorithm"—specification, page 6, lines 4-8 and 15-16.

"Inputting data for said order into said logic engine"—specification, page 6, lines 4-14.
"Processing the order with said logic engine, using said plug-in"—specification, page 6, lines 4-16.

"Executing said order"--specification, page 6, lines 4-11.

"Said human being monitoring said order in real time by using said graphical user interface"--specification, page 7, lines 1-3; and page 8, lines 19-20.

Claim 6

"A method for computerized trading"—specification, page 1, lines 14-15.

"A human being using a graphical user interface to enter parameters for a trading algorithm to input a ComplexOrder into a logic engine through an ordering system"—specification, page 7, lines 19-22; and page 8, lines 19-20, and page 14, lines 12-15, and page 15, lines 3-10.

"Using a first plug-in in said logic engine for implementing the trading algorithm"—

specification, page 6, lines 4-8 and 15-16.

"Inputting data for said order into said logic engine"—specification, page 6, lines 4-14.

"Processing the order with said logic engine, using said plug-in through deconstructing said ComplexOrder into Events and Actions" specification, page 6, lines 4-16, and page 15, lines 8-20.

"Executing said order through outputting said order through an ordering system"--specification, page 6, lines 4-11, and page 14, lines 12-15.

"Said human being monitoring said order in real time by using said graphical user interface"--specification, page 7, lines 1-3; and page 8, lines 19-20.

Claim 8

"An apparatus for computerized trading" __ specification, page 1, lines 14-15.

"A logic engine for processing trading orders"—logic engine 10, FIG. 1; specification, page 5, lines 13-20.

"An interface to said logic engine to receive from a human being parameters for a trading algorithm and to allow the human being to monitor orders in real time"—specification, page 8, lines 19-20, and page 7, lines 1-3 and 21-22.

"A first plug-in in said logic engine for implementing the trading algorithm"—specification, page 7, lines 13-21.

"Whereby said logic engine processes orders received via said interface"--specification, page 6, lines 4-14.

"Wherein said logic engine, said interface and said first plug-in are software recorded on a computer-readable medium and capable of execution by a computer"--specification, page 4, lines 5-10.

Claim 9

"An apparatus for computerized trading"—specification, page 1, lines 14-15.

"A logic engine for processing trading orders"—logic engine 10, FIG. 1; specification, page 5, lines 13-20.

"A first interface to said logic engine for processing orders to receive from a human being parameters for a trading algorithm and to allow the human being to monitor orders in real

time"—specification, page 8, lines 19-20, and page 7, lines 1-3 and 21-22.

"A second interface to said logic engine for processing orders"--specification, page 14, lines 12-18.

"A first plug-in in said logic engine for implementing the trading algorithm" specification, page 7, lines 13-21.

"Whereby said logic engine processes orders received via either of said first and second interfaces"--specification, page 6, lines 4-14, and page 14, lines 12-18.

"Wherein said logic engine, said first interface, said second interface and said first plug-in are software recorded on a computer-readable medium and capable of execution by a computer"--specification, page 4, lines 5-10.

GROUND OF REJECTION TO BE REVIEWED ON APPEAL

Claims 1-3, 5 and 8-14 are rejected under 35 U.S.C. § 102(e) as being anticipated by Kane (U.S. Patent No. 6,317,728).[1]

ARGUMENT

I. *Applicable Law*

The sole issue in this appeal is related to a rejection, formulated under 35 U.S.C. § 102(e), in which the Examiner contends that the claimed invention is anticipated by the Kane reference. The law governing anticipation is set forth as follows in *Verdegaal Bros. v. Union Oil Co. of California,* 814 F.2d 628, 631 (Fed.Cir. 1987), as quoted in MPEP § 2131:

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[1] The Examiner also stated a rejection under § 103(a) of claims 4 and 6. Claim 4 is indirectly dependent on claim 1. Claim 6 is an independent claim but is not separately argued herein. Appellants argue all pending claims as a group with claim 1 taken as exemplary of the claims. The rejection of claims 4 and 6 relies on a combination of Kane with an entry in the Microsoft Computer Dictionary (MCD). The MCD entry does not appear to raise any issue with respect to the patentability of claim 1, and it is believed that if appellants' argument in regard to claim 1 prevails, then patentability of claims 4, 6 and the other pending claims will be established. Since the MCD entry is not pertinent to the argument made below in regard to claim 1, the MCD entry will not be further discussed herein.

A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.

Moreover, "[t]he _identical_ invention must be shown _in as complete detail_ as is contained in the ... claim."[2]

As appellants will demonstrate, the Kane reference fails to satisfy the "all elements" rule, and the Examiner's anticipation rejection does not properly deal with the claimed invention in "complete detail".

_II._ _Detailed discussion of the novelty of claim 1 (argument applicable to all pending claims -- 1-6 and 8-14)_

Claim 1 is taken as representative of all of the claims now presented in the application. Thus appellants propose that the novelty of claim 1 also establishes novelty as to all of the pending claims.

A. Particularly pertinent features of claim 1

According to the invention as recited in claim 1, a plug-in is used in a logic engine to implement a trading algorithm. A human being uses a graphical user interface (GUI) to enter parameters for the trading algorithm implemented by the plug-in. The same human being uses the same GUI to monitor in real time a trading order input into the logic engine by the trading algorithm.

B. Overview of the Kane reference

The Kane reference is primarily concerned with computer software that automatically engages in trading of securities and/or commodities.[3] The heart of Kane's software system is

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[2] _Richardson v. Suzuki Motor Co.,_ 868 F.2d 1226, 1236 (Fed.Cir. 1989) [also quoted in MPEP § 2131; emphasis in quotation has been added].

[3] See Kane, column 1, lines 4-9; column 10, lines 15-17.

made up of numerous "intelligent agents".[4] The intelligent agents are modules or sections of computer logic and embody rules for buying or selling securities.[5] The intelligent agents "vote" as to whether to buy or sell particular securities; the system tallies the votes of the agents in a weighted manner to determine whether to place a particular buy or sell order.[6]

The main intended mode of operation of Kane's trading system is without human intervention.[7] However, Kane's system also allows users to monitor the activities of the automated trading system, to override the system's trading orders, and to manually enter trading orders.[8] FIGS. 18 and 19 in Kane show user interface screen displays. These screen displays provide information to the user about trading activity automatically undertaken by the system.[9] The screen display of FIG. 19 also allows the user to initiate manual trades."[10]

Kane contains no disclosure as to how the intelligent agents are generated. The reference also does not disclose entry of parameters for the intelligent agents.

C. Fatal flaw in the Examiner's reading of claim 1 on the Kane reference

There is a simple but fatal flaw in the Examiner's rejection of claim 1. The Examiner relies on Kane's "intelligent agents" as satisfying the claimed "first plug-in ... for implementing the trading algorithm"[11], and also cites a passage at column 8, lines 20-36 of Kane as allegedly teaching that a human being enters parameters for the trading algorithm. The flaw is that this passage does not support the Examiner's reliance thereon.

Appellants believe that the key portion of this passage is at column 8, lines 28-31, and now quote that passage in full:

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[4] Kane, column 5, lines 37-42; column 7, lines 9-16.

[5] Kane, column 5, lines 5-10.

[6] Kane, column 5, lines 42-55; column 7, lines 8-41.

[7] Kane, column 11, lines 45-51.

[8] Kane, column 8, lines 19-31; column 14, lines 43-47.

[9] Kane, column 14, lines 37-47.

[10] Kane, column 14, lines 43-47.

[11] See Final Office Action, page 2, 3d and 4th lines from the bottom of the page.

Wealth Builder also allows customer override and entry of trading commands, and provides a single screen for quote and position information.

This passage has nothing to do with Kane's intelligent agents or entering parameters for the same. Rather, this passage teaches a human being <u>overriding</u> the automated operation of the system, not entering parameters for an algorithm implemented by the intelligent agents that the Examiner considers to be "plug-ins". Thus the passage does not support the Examiner's assertion that Kane teaches a human being entering parameters for a trading algorithm.

The Examiner may previously have been on somewhat firmer ground when, at page 6 of the Office Action dated Nov. 17, 2005, he proposed that the human being entering parameters for the trading algorithm was satisfied by the pre-programming of the buy and sell rules embodied by Kane's intelligent agents.[12] However, in response to the Examiner's position on this point, appellants amended the claims to specify that the human being who entered the algorithm parameters was the same user who monitors an order executed by the system. The Examiner then fell back to his erroneous reliance on Kane's provision of a manual override capability. As appellants note above, this constitutes overriding operation of the intelligent agents, not entering parameters for an algorithm that the intelligent agents implement.

Appellants have reviewed the Kane reference, and have not found any other passage in Kane that makes up for this deficiency in the passage just quoted. As a result, a proper reading of the Kane reference leads to the conclusion that the reference fails the "all elements" rule for anticipation under § 102 in that Kane fails to teach the claim limitation of a human being entering parameters for a trading algorithm, and also using the same interface to monitor an order executed by the system.

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[12] The pre-programming is not explicitly described in Kane, but appellants recognize that the software to implement Kane's intelligent agents presumably must have a human author.

CONCLUSION

The rejection of the independent claims herein is improper at least because all of those claims recite at least one limitation not disclosed in the Limprecht reference. The Examiner's decision should therefore be reversed.

Applicants hereby authorize and request that the Commissioner charge any additional fees that may be required for consideration of this and/or any accompanying and/or necessary papers to Deposit account No. 03-1240, Order No. 17209-341. In the event that an extension of time is required (or which may be required in addition to that requested in a petition for an extension of time), Applicants request that the Commissioner grant a petition for an extension of time required to make this response timely, and, Applicants hereby authorize and request that the Commissioner charge any fee or credit any overpayment for such an extension of time to Deposit Account No. 03-1240, Order No. 17209-341.

In the event that a telephone conference would facilitate examination of the application in any way, Applicants invite the Examiner to contact the undersigned at the number provided.

Respectfully submitted,

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Dated: October 26, 2009

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APPENDIX A--CLAIMS

1. A method for computerized trading comprising:

    - a human being using a graphical user interface to enter parameters for a trading

algorithm to input a trading order into a logic engine;

        – using a first plug-in in said logic engine for implementing the trading algorithm;

        – inputting data for said order into said logic engine;

        – processing the order with said logic engine, using said plug-in;

        – executing said order; and

        – said human being monitoring said order in real time by using said graphical user

interface.

2. A method as in claim 1, wherein the step of inputting a trading order into a logic engine

    further comprises inputting an order through an ordering system.

3. A method as in claim 2, wherein the step of inputting an order through an ordering system

    further comprises inputting a ComplexOrder through an ordering system.

4. A method as in claim 3, wherein the step of processing the order with said logic engine, using

    said plug-in, further comprises deconstructing said ComplexOrder into at least one Event and

    Action.

5. A method as in claim 1, wherein the step of executing said order further comprises outputting

    said order through an ordering system.

6. A method for computerized trading comprising:

    −a human being using a graphical user interface to enter parameters for a trading

algorithm to input a ComplexOrder into a logic engine through an ordering system; -

using a first plug-in in said logic engine for implementing the trading algorithm;

    −inputting data for said order into said logic engine;

    −processing the order with said logic engine, using said plug-in through deconstructing

said ComplexOrder into Events and Actions;

    −executing said order through outputting said order through an ordering system; and

    −said human being monitoring said order in real time by using said graphical user

interface.

7.(canceled)

8. An apparatus for computerized trading comprising:

    −a logic engine for processing trading orders;

    - an interface to said logic engine to receive from a human being parameters for a trading

algorithm and to allow the human being to monitor orders in real time;

    - a first plug-in in said logic engine for implementing the trading algorithm;

    whereby said logic engine processes orders received via said interface;

    wherein said logic engine, said interface and said first plug-in are software recorded on a

computer-readable medium and capable of execution by a computer.

9. An apparatus for computerized trading comprising:

    - a logic engine for processing trading orders;

– a first interface to said logic engine for processing orders to receive from a human being parameters for a trading algorithm and to allow the human being to monitor orders in real time;

- a second interface to said logic engine for processing orders;

– a first plug-in in said logic engine for implementing the trading algorithm.

whereby said logic engine processes orders received via either of said first and second interfaces;

wherein said logic engine, said first interface, said second interface and said first plug-in are software recorded on a computer-readable medium and capable of execution by a computer.

10. An apparatus as in claim 9, wherein said first interface further comprises an Input driver.

11. An apparatus as in claim 9, wherein said second interface further comprises an Exchange driver.

12. An apparatus as in claim 9 wherein said first interface further comprises an interface to an ordering system.

13. An apparatus as in claim 9 wherein said second interface further comprises an interface to an ordering system.

14. An apparatus as in claim 9 wherein said logic engine further comprises a Core Processing Area.

APPENDIX B - EVIDENCE

No evidence is being submitted with this Appeal Brief *(i.e.,* this appendix is empty).

APPENDIX C - RELATED PROCEEDINGS

The Board of Patent Appeals and Interferences rendered a decision in regards to Appeal 2008-0343 related to U.S. patent application Serial Number 09/773,139 (present application being a continuation -in- part of the '139 application), a copy of which is enclosed herewith. ~~No prior or pending appeals, interferences, or judicial proceedings are known to Applicants, Applicants' legal representative, or assignee, which may be related to, directly affect, be directly affected by, or have a bearing on the Board's decision in the pending appeal. Therefore, there are no copies of decisions rendered by a court or the Board to attach (*i.e.*, this appendix is empty).~~